and if so, what are their views aboout the supply of power to the Railways directly by the National Thermal Power Corporation?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Information is baing collected will be laid on the Tab, of the House.

(b) and (c) The Government of India have permitted Central Public Sector Undertakings including the National Thermal Power Corporation (NTPC) to supply power dueetiy 10 the Railways through the Railways own transmission lines. However, the Railways were advised to settle the matter mutually with the concerned State Electricrty Board (SEB), as, the Railways might be requiring back up support from SEB network even whore direct power supply is available from central public sector undertakings.

Proposal of ICMC Power Consortium

1054. SHRI S. MADHAVAN; Will the Minister of POWER be pleased to state:

(a) whether the U.S. based ICMC Power Consortium has proposed to invest in infrastructure projects in India; and

(b) if so, whet are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OP POWER (SHRI P. V. RANGAYYA NAIDU): (a) Yes Sir.

(b) M|s. International Contracting and Marketing Corporation (ICMC). ! USA presently has proposed to set up a 1000 MW Thermal Power Sta tion at Cudcfalore in Tamil Nadu.

Loans to SEBs by Power Finance Corporation (PFC)

1055. SHRI KRISHNA KUMAR BIRLA: Will the Minister of POWER be pleaied to state:

(a) whether the Power Finance Corporation has sanctioned new loans for power projects of various SEBs;

(b) if so, the terms and conditions of the loan agreement;

(c) the SEBs to which loans have been granted; and

(d) to what extent the viability of SEBs is likely to be improved?

THE MINISTER OP STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Yes, Sir.

(b) The general conditions or eli gibility of PFC's loans are enclosed at Statement- *(See* belo.ow)

(c) During 1994-95 (upto Juris, 3 93ii_ PFC has sanctioned loans to Andhra Pradesh State Electricity Board, Karnataka Electricity Board, Orissa State Electricity Board, Rajas than State Electricity Board and Tamil Nadu Electricity Board-

(d) Eligibility criteria for availing loans from PFC raclude signing of an Operational and Financial Action plan'OFAP) which commits the coeserned SEBs to register overall improvement in their financial performance. The loan assistance being given by PFC main'y fall in the priority araas such as Renovation & Modernisation of old rOarls, capacitor install-tion, urban distribution, sys-tem improment etc.. which when implemaned sold improve the via-citiy of SEB considerably.

Statement

General Condtions for eligibility of Power Finance Corporation's Loan

Following are the main eligibility criteria to b° fulfilled by the borrower for getting PFC's loan assistance:-

1.* In the case of SEB, it should have generally achieved at least 3 per cent Rate of Return on the net fixed $asset_3$ employed.

2. For consideration of eligibility *to* get loan from 1993-94 and onward.

i. will be necessary that the subsidy, it any, payable to SEB upto the immediately preceding financial years has been fully paid by the State Government and *he State Government/SEB has furnvih-cd to the satisfaction of PFC necessary schedule of payment of subsidy for the Financial Year in which proposal of of new loan is to be considered.

5. The SEB should have signed an Operational and Financial Action Rian (OFAP) to the satisfaction of PFC, through which it takes a set of time- bound actions to improve its-working.

4. The SEB should have submitted the Provisional Annual accounts within one years from the close of the Financeial Year (FY) and the audited Accounts within two years of the close of the Financial year.

(5) There should have been adequate

exposure limit" fixed by PFC for sanc-', ion of the loan and for lending to the
SEB.

6. In case of loans previously sanctioned by PFC to the borrower, there should not be any default in repayment of principal and payment of interest tine to PFC at any time.

In deddition to the above, in appraiall of a project for PFC loan, the concerned project should meet the following criterj'a;-

(a) is economically justified, with a rate of return of not less thta 12 *per* cent,

<b) is technically sound,

(c) technical solutions proposed must be

"least cost",

(d) is compatible with existing expansion plans,

(t) solutions proposed should meet GOI or State Government' envtro I ..ental and impact standards, whtchever are more stringent and

(f) the project should have all clearances required by the State and federal agencies.

Not Special relaxation has been given in

regard to condition at (1) above by PFC as underline SEB should have achieved at least 2 per cen. Rate of Return on the net fixed assets emply-ed during the Financial Year 1991-92 and is agreeable to commit in writing through "Plan or Action" to the satisfaction of PFC to improve its financial performance to the extent specified for each year (the year being 1992^93, 1993-94, 1994-95 and 1995-96) under the plan so as to assure increasing trend in Rate of Return, and ensure that 3 per cent of Return is achieved with the above period and. in any case, not beyond 1995-96".

Indo-US Corporation in tbe Power Sector

1056. SHRI G. Y. KRISHNAN:
SHRI RAMDAS AGARWAL:
SHRI SURESH PACHOURI:
SHRI CHATURANAN MISHRA: SHRI GURDAS DAS GUPTA:

Will the Minister of POWER be pleased to state:

(a) the outcome of the discussions held by Government with the US Energy Sec-cretary Hazal O' Leary in the matter of Indo-US Technical Co-operation in Energy Related areas during the last month;

(b) the nature of various pacts concluded with the United States including a broad memorandum of understanding on btlateral energy consultation, for cooperation in the power sector;

(c) whether Government have since announced its first counter-guarantee for the US financed power project: and

(d) if so, its salient features and it not, the state at which the matter stands at present?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU); (a) and (b) Wide ranging discussions to promote cooperation in the energy sector were held during the recent visit to India of the US.